

submitting a removal request to the notification system established under subsection (c).

“(2) RESPONSE AFTER SUBMITTING REMOVAL REQUEST TO THE NOTIFICATION SYSTEM.—Not later than 35 calendar days after a promoter receives a removal request pursuant to an election under paragraph (1), the promoter shall exclude the individual's name and address from all lists of names and addresses used by that promoter to select recipients for any skill contest or sweepstakes.

“(3) EFFECTIVENESS OF ELECTION.—An election under paragraph (1) shall remain in effect, unless an individual (or other duly authorized person) notifies the promoter in writing that such individual—

“(A) has changed the election; and

“(B) elects to receive skill contest or sweepstakes mailings from that promoter.

“(e) PROMOTER NONLIABILITY.—A promoter shall not be subject to civil liability for the exclusion of an individual's name or address from any list maintained by that promoter for mailing skill contests or sweepstakes, if—

“(1) a removal request is received by the promoter's notification system; and

“(2) the promoter has a good faith belief that the request is from—

“(A) the individual whose name and address is to be excluded; or

“(B) another duly authorized person.

“(f) PROHIBITION ON COMMERCIAL USE OF LISTS.—

“(1) IN GENERAL.—

“(A) PROHIBITION.—No person may provide any information (including the sale or rental of any name or address) derived from a list described under subparagraph (B) to another person for commercial use.

“(B) LISTS.—A list referred to under subparagraph (A) is any list of names and addresses (or other related information) compiled from individuals who exercise an election under subsection (d).

“(2) CIVIL PENALTY.—Any person who violates paragraph (1) shall be assessed a civil penalty by the Postal Service not to exceed \$2,000,000 per violation.

“(g) CIVIL PENALTIES.—

“(1) IN GENERAL.—Any promoter—

“(A) who recklessly mails nonmailable matter in violation of subsection (b) shall be liable to the United States in an amount of \$10,000 per violation for each mailing to an individual of nonmailable matter; or

“(B) who fails to comply with the requirements of subsection (c)(2) shall be liable to the United States.

“(2) ENFORCEMENT.—The Postal Service shall assess civil penalties under this section.”

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 30 of title 39, United States Code, is amended by adding after the item relating to section 3016 the following:

“3017. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings.”

(c) EFFECTIVE DATE.—This section shall take effect 1 year after the date of enactment of this Act.

#### SEC. 9. STATE LAW NOT PREEMPTED.

(a) IN GENERAL.—Nothing in the provisions of this Act (including the amendments made by this Act) or in the regulations promulgated under such provisions shall be construed to preempt any provision of State or local law that imposes more restrictive requirements, regulations, damages, costs, or penalties. No determination by the Postal Service that any particular piece of mail or class of mail is in compliance with such provisions of this Act shall be construed to preempt any provision of State or local law.

(b) EFFECT ON STATE COURT PROCEEDINGS.—Nothing contained in this section shall be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State or any specific civil or criminal statute of such State.

#### SEC. 10. EFFECTIVE DATE.

Except as provided in section 8, this Act shall take effect 120 days after the date of enactment of this Act.

The title was amended so as to read: “A bill to amend chapter 30 of title 39, United States Code, to provide for the nonmailable of certain deceptive matter relating to sweepstakes, skill contests, facsimile checks, administrative procedures, orders, and civil penalties relating to such matter, and for other purposes.”

Ms. COLLINS. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Continued

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I understand the parliamentary situation is that we are now back on the Agriculture appropriations bill. The pending amendment is the Cochran amendment to the Daschle amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. COCHRAN. The Senator from Iowa asked unanimous consent before we permitted discussion of the Collins bill that he be recognized following the vote.

I am rising to clarify the situation, and also to inquire how long the distinguished Senator is planning to speak at this point. I am hopeful that there will be time for the distinguished Senator from Indiana, Mr. LUGAR, who is chairman of the Committee on Agriculture, to speak for about 30 minutes. He has to chair a committee hearing in the morning beginning at 9 o'clock and won't be available tomorrow morning. I am hopeful the Senator will either let Senator LUGAR proceed now or after a reasonable time for the Senator to then be recognized for 30 minutes.

That is the purpose of my inquiry of the Senator from Iowa. I did not object when the Senator sought unanimous consent to be recognized because I thought I had talked about 15 minutes and the Senator had talked about the same period of time, or maybe a little longer. That is the purpose of my inquiry.

Mr. HARKIN. I appreciate it.

The PRESIDING OFFICER. The Senator from Iowa.

#### PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Traci

Parmenter, an intern in my office, be granted floor privileges for the duration of the debate on the Agriculture appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I say to my friend from Mississippi that I don't intend to talk too much longer. I did want to engage in a colloquy with a couple of Senators who wanted to do so. I don't imagine it will take that long—a little bit of time, not that long.

Mr. COCHRAN. I thank the Senator for his clarification.

Mr. HARKIN. We will not take that long. As the Senator knows, I have tremendous respect for my chairman of the Agriculture Committee. But I wanted to wrap up our presentation with a short colloquy with my fellow Senators prior to yielding the floor. If I might, Mr. President, let me try to conclude the remarks that I had earlier.

Did the Senator have a question?

Mr. COCHRAN. No. My question of the Senator was how much longer he thought he would take. This is for the purpose of advising my friend from Indiana how long he would sit on the floor and listen to your colloquy, or whatever it is the Senator intends to do, or for how long the Senator intends to do it. It is just a question. I am not suggesting the Senator does not have the right to talk all night, if he wishes.

Mr. HARKIN. I am not going to talk all night.

Mr. COCHRAN. The Senator from Iowa has the floor. I am just curious about how much time he might take, or could we interrupt the remarks and let the Senator from Indiana proceed?

Mr. HARKIN. About 15 minutes—perhaps not that long.

Let me conclude my earlier remarks. Quite frankly, I find myself in a very uncomfortable position. This is extremely uncomfortable for me. I think the pending amendments are the ultimate statement on the failure of the current farm policy. Why do I say it is uncomfortable for me? Because I don't like it when farmers have to rely on government payments because they are not getting enough from the marketplace.

I am uncomfortable with an amendment that provides above \$10 billion in support for our farmers. I find myself extremely uncomfortable. That is why I view what we are doing here as part of a two-step process. First, we must get the emergency money; but second, we have to change the underlying failures of the Freedom to Farm bill or we will be right back where we are again next year, asking for billions more in emergency payments to deal with the crisis in the farm economy.

Our farm policy now is based on cash payments. Now we are back here talking about even more cash payments. We are forced into this situation because the underlying farm policy is wrong. And that is how the Republicans' proposal is shaped. It is a stop-gap gesture based on AMTA payments.

So naturally, the larger farmers with the larger base acreages are going to get the most money. This policy goes against what government programs ought to be. Government programs ought to be for those who are in need. This amendment stands that principle on its head. The Republican proposal will give most of the money to the biggest farmers under the so-called AMTA payments. Our proposal offers a more equitable distribution by providing the assistance to producers who are actually on the farm right now and in relation to what they are growing now—not what they grew 20 or more years ago. That is a big difference between the two approaches.

The Republicans' said they wanted to get rid of the old farm programs when they passed Freedom to Farm, but their AMTA type payments are based on that very same outdated base acreage and payment yield system that is decades old. And quite frankly, with the AMTA system, payments can go to someone who is not even trying to grow a crop and has not incurred those expenses. And the benefits of AMTA payments are too easily claimed by absentee landlords. They could be long gone and living in—Palm Beach, Miami, or retired in southern Texas or someplace else. Our proposal is designed to provide the money to real farmers who are actually farming and trying to grow crops.

I might also add one other thing: We are facing some terrible disaster conditions around the country. I know out in the upper Midwest we have had floods and excessive moisture that have prevented planting, in the Dakotas for example, and we have had terrible floods and rainstorms in parts of Iowa. We are facing a tremendous drought on the eastern seaboard among the Atlantic coastal States where we also have farmers who are in dire straits.

In our package, we have over \$2 billion for disaster-related assistance. The Republican package has zero dollars to help farmers survive disasters, not for those on the Eastern seaboard suffering that terrible drought or others undergoing disasters. That is another big difference because these are truly farmers in need. They need help. Our bill has that help for them; the Republican bill doesn't.

Those are the two major differences I see. I will have more to say tomorrow about the Freedom to Farm bill. Freedom to Farm had a lot of cheerleaders when it passed a few years ago, saying how great it would be. Those cheers ring hollow now. The proof of the pudding is in the eating. Quite frankly, farmers are going broke. And they know it is a failure. It has not protected farm.

We must change the underlying farm policy. We need to get loan rates up. We had a bipartisan group of State representatives and Senators from Iowa here last week, Republicans and Democrats. They had a proposal for us: Raise

the loan rates, allow the Secretary of Agriculture to extend commodity loans and provide storage payments to farmers, all of which I support. I said: You are talking to the wrong person; you ought to talk to the backers of Freedom to Farm. Don't try to convince me, I am for it.

We ought to raise the loan rates. We ought to provide for storage payments. We ought to extend the loans. I think that is what we will come back and try to do in September, the second part of our two-step process.

The name Freedom to Farm reminds me of a conversation a little bit ago when it was asked, is there anything good about the bill. I said about the only thing good in the Freedom to Farm bill is the name "freedom."

But considering where the farm economy is now, I am reminded of the words in the Janis Joplin song. "Freedom is just another word for nothin' left to lose." How accurate that is when it comes to the farm crisis. For our farmers, the word "freedom" in the Freedom to Farm bill, is just another word for "nothin' left to lose."

Mr. WELLSTONE. Mr. President, every time I'm home, farmers are saying to me: We appreciate some assistance so we can live to be able to farm another day, but we want to know whether we or our children or grandchildren will have any future? How are you going to deal with the price crisis? What are you going to do to change the direction that this freedom to farm bill has taken us?

Farmers focus on the structural issues. They want Members to write a new farm bill. They don't want a bail out every year. They want to be able to get a decent price in the marketplace. They want a fair shake. That is all they want.

I ask my colleague from Iowa, also my friend from North Dakota, what should we be focusing on here in the U.S. Senate beyond this emergency assistance package to make sure that farmers can get a decent price, and that family farmers can be able to make a living and their children can farm and our rural communities can flourish?

Mr. HARKIN. In responding to my friend from Minnesota, I was meeting with farmers this week in Iowa talking about our emergency package. On more than one occasion the farmers got up and said: We appreciate what you are trying to do. We can sure use the money. But if all you are going to do is send out another check and we are going to have the Freedom to Farm bill again next year, it isn't going to work because we will be even deeper in the hole next year.

They are begging Congress to change this policy.

I tell my friend from Minnesota what I hear most often from them is they have to have a better price, they have to be able to market their grain more efficiently, and they need some limited kinds of conservation land idling program shorter than 10 years.

The vast majority of farmers I talked to said we have to get our supply and demand in line. The only way we will get them in line anytime soon is if we have some land out of production. With short-term land retirement, something to take land out for conservation purposes for 2 years, or 3 years at the most, where they get some economic benefit for that, coupled with higher loan rates and the extension of the loan and storage payments, we can start to get some stability and get the farm economy back on track.

This past weekend as well as on other Iowa visits, farmers are telling me if we don't change the underlying farm bill it will get worse next year.

Mr. DORGAN. Will the Senator yield?

Mr. HARKIN. I yield.

Mr. DORGAN. I think the points being made here are important to understand. If all we do is to pass a disaster relief package and do nothing to change the underlying farm bill, we will not have addressed problems in a way that gives family farmers hope that there is a future.

Let me ask the Senator about the underlying farm bill. The underlying farm bill, the Freedom to Farm bill, has put us in a position where payments were made to farmers early on when farm prices were very high and farmers didn't need those payments. Now, when farm prices have collapsed and farmers need a bigger payment, they are still getting the same payment or a lower payment than they were getting when prices were high.

In other words, there is a disconnection with respect to need. Freedom to Farm, was it not, was a transition payment. It was to transition them out of the farm program. That was the philosophical underpinning of the farm bill.

Is it the judgment of the Senator from Iowa that while we do this—and it is urgent that we must do this, pass some disaster relief bill—that we also must accompany that with a change in the underlying farm bill, sooner rather than later, because if we do not, those farmers who are making decisions about the future will have to decide there is no hope ahead?

Freedom to Farm means there are lower price supports even when prices collapse. Isn't it true that this must be the first step in a two-step process?

Mr. HARKIN. I could not agree more. I would proffer this. If all we do is pass this emergency package, either this one or the scaled-down package of the Republicans, and we do nothing else, farmers are going to see the handwriting on the wall. If we do not change that Freedom to Farm bill, they are going to see it and they will say, I'm going to be right back where I am again next year. Farmers are going to say, I'm getting out. They will be leaving in droves. It will drive farmers out.

In the State of Iowa, from April of 1998 to April of 1999, land prices in Central Iowa have gone down 11 percent already. The Governor of Iowa was at a

meeting I held in Iowa this weekend. He said, when the legislature left 3 months ago, when they went out of session, they estimated the growth in revenues at 1.8 percent. It is now down to 1 percent. That is going to affect our schools and everything else in the State of Iowa. So the broader impacts on Iowa's economic health are already being felt. It is already happening.

I have had people tell me if all we are going to do is put the money out there, it will help them some with their debts, it will help them get through the next few months, help them get through the harvest, but if we do not change the Freedom to Farm bill, they are out, they are not going to be there next year.

Mr. DORGAN. May I ask one further question?

Mr. HARKIN. I yield for a question.

Mr. DORGAN. Payments, as I understand them, have gone too far in the current farm bill, the underlying farm bill; too high in the disaster programs. Perhaps both programs should be adjusted lower. My understanding of the program that has been offered earlier today, by the majority party, is with the triple-entity rule, the payment limits would effectively, under that rule, be about \$460,000—under their disaster package. In my judgment, that is too high. In my judgment, we should craft a farm program and craft disaster programs that target help for family-size farms. If that is not what it is about, my feeling has always been, if we are not targeting help to family farmers, we don't need a Department of Agriculture. The only reason to have all of this is to help family farmers.

Mr. HARKIN. The Senator is onto something regarding payment limitations. In the Republicans' proposal, the maximum payments that an individual can receive—by setting up partnerships or corporations to maneuver around the limits—would be \$460,000. Nearly half a million dollars to one individual.

Mr. DORGAN. If I might—

Mr. HARKIN. Again, I think we ought to be here to help people who really need some help and get it out. To me, that is going way beyond the bounds there.

I yield for a question.

Mr. DORGAN. If I might again just inquire, I had computed it under the three-entity rule, what they could achieve. If I have missed part of that and they can achieve \$460,000, it simply makes the point; \$300,000 is too much. Mr. President, \$460,000 is way out of bounds. We ought to be trying to get a reasonable amount of support during this price collapse to family-size farms.

I come from ag country, but I will not support giving \$300,000 to anybody in farm country. We don't need that. That is not what a farm program ought to be about, in disaster help or in regular help, when prices collapse. That is not supporting a family-size farm; that is spending taxpayers' money in support of farm operations far in excess of family farms. That doesn't make any sense to me.

Again, when I inquired of the Senator from Iowa, I was thinking of the repeal of the three-entity rule. If there is another device that goes above the \$300,000, that simply compounds the aggravation with respect to who is going to get this money and how much. Let us find a way.

I ask the Senator from Iowa, isn't our job here to craft a decent disaster bill, first, that gets the most help possible to family-size farms and, second, to decide we must follow it quickly by saying the current farm bill doesn't work, that is obvious to everyone—obvious because we have to pass disaster bills every year now—and we should change the underlying farm bill in the same way that provides real help to family farmers so when prices collapse they have a chance to survive?

Mr. HARKIN. I respond to my friend from North Dakota: These big cash payments are an inherent part of the Freedom to Farm bill—an inherent part of it. A lot of that money goes to the big operators. Yet we have our family farmers out there who are just trying to get by.

That is why this Freedom to Farm bill—I wish I could say just one good thing—the only good thing about Freedom to Farm was flexibility. It gave the farmer planting flexibility. But as the Senator from North Dakota might remember, when we were debating the farm bill, the Senator from North Dakota offered an amendment to provide the planting flexibility to farmers and still have a farm program that provided higher loan rates and storage payments and some set-asides within the confines of the farm program. If I am not mistaken, it was the Senator from North Dakota who offered the amendment to provide the flexibility to farmers to plant what they wanted, where they wanted, and yet it was defeated on a party-line vote.

So there were those who sold to the farmers the Freedom to Farm bill on the basis that they would have planting flexibility. But we did so in our proposal. We provided planting flexibility in our alternative—I believe it was the Senator from North Dakota who offered it—

Mr. DORGAN. Senator CONRAD.

Mr. HARKIN. Senator CONRAD, the other Senator from North Dakota, offered it. That was to provide that planting flexibility. We were all for that. There was no one here who was not for that. I think farmers by and large got very confused by that. They were told by our friends on the other side of the aisle you had to have Freedom to Farm to get flexibility. That is not so. What happened with Freedom to Farm is that it took away the safety net and we are in the situation we are in right now. I repeat, for emphasis' sake, these big cash payments are an inherent part of the Freedom to Farm bill.

I will yield for one more question.

Mr. WELLSTONE. I will say to my colleagues—and I know they are wait-

ing to speak, and I will soon be done after just a final question—I apologize you have to wait.

I especially say that to Senator GRASSLEY since he was gracious enough, when I was in Iowa, to tell me if I needed a place to stay, I could stay at his farm. I much appreciated it.

Mr. HARKIN. He would have fed you pretty well, too.

Mr. WELLSTONE. I know. I am going to do it next time for sure.

Let me ask one more question, and before I do, I ask unanimous consent—if tomorrow morning we are going to be in debate as well—that I could have 15 minutes to speak on this.

Mr. COCHRAN. Reserving the right to object, what is the request?

Mr. WELLSTONE. I was asking whether or not tomorrow morning we are also going to be in debate on this and that I could have 15 minutes to speak on it.

Mr. COCHRAN. I am constrained to object to any request to speak in the morning. We have not had an announcement as to what time we are coming in or how the bill will be handled. The usual rules of seeking recognition I think probably will apply tomorrow.

Mr. WELLSTONE. OK. Let me ask my colleague: My friend from North Dakota made the distinction between agriculture and family farmers; his passion is for the producers, the family farmers. Beyond this assistance bill, we would like to see something that would help people continue to survive. In Minnesota, on August 21, we are going to have a Rural Crisis Unity Day with a whole congressional delegation there to meet with the farmers and business people and all, really, of rural Minnesota. Does he think it would be helpful for people to say: We need you to do something about the price crisis; we need you to do something to make sure we get a fair shake; we need you to make sure it is not just for Cargill, it is for family farmers; it is not just for IBP or the packers—it is not for the packers, it is for the producers? Do you think this is the kind of thing we are going to need to see in many of our agricultural States over the next several months to come, to put the pressure on the House and Senate to pass a bill for family farmers as opposed to these big conglomerates?

Mr. HARKIN. I say to my friend from Minnesota, I hope each of us in our own capacity would understand what is happening out there right now. We are not blind. We are not deaf. We are not without the capability of going out in the countryside and talking to farmers and listening to them. We all do that.

If we have eyes to see and ears to hear and a decent knowledge of what is happening on the farms, I hope we will not have to have all the rallies and have farmers come to big meetings to try to impress upon us this need. I daresay, however, the way things are going that will happen.

If we do not address the underlying aspects of the Freedom to Farm bill,

you are going to get more and more farmers out to these meetings, especially after harvest. Of course, farmers are busy during the harvest. You will not see too many of them probably in the fall. It is going to be a long, cold winter if we do not change the underlying bill. It will not be just the farmers, you will have the bankers come in. I have heard from bankers in, and you are going to have people from small towns and communities, the school boards and everybody else saying: Look, what is happening? Our towns are drying up.

I say to my friend from Minnesota, I hope we will not force farmers to go to meetings and plead with us to recognize the dire straits they are in. We know it. We know what it is like out there. We have all the data. We have the statistics. We know what the prices are like. Pick up the newspaper and read what the prices are. Look at what futures prices are. I had a chart earlier today about the prices. Cash price of soybeans is down about half, about 45 percent in about the last 2 years. You do not really need much more than that to understand what the problem is, I say to my friend from Minnesota.

Mr. President, I ask unanimous consent to print in the RECORD an outline of the \$10.793 billion that is in the first-degree amendment, which is pending at the desk, outlining the different line items and where that money goes so people can look at it tonight.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Democratic position: Emergency relief for agriculture	
[In billions of dollars]	
Income .....	6.045
Income Loss Payment .....	5.600
Dairy .....	0.400
Peanuts .....	0.045
Tobacco farmers .....	0.328
Total .....	6.373
Disaster .....	2.274
Crop insurance—30% premium discount .....	0.400
Backfill 1998 disaster programs .....	0.356
Livestock assistance programs .....	0.200
Section 32 (domestic food purchases, direct payments related to natural disasters) .....	0.500
Disaster Reserve .....	0.500
Flooded land program .....	0.250
Emergency short-term land diversion program .....	0.200
Producers erroneously denied eligibility for '98 relief .....	0.070
FSA loans .....	0.100
FSA emergency staffing needs .....	0.040
Ag mediation .....	0.002
USDA rapid response teams .....	0.001
Shared Appreciation Agreement regulatory relief .....	
Total .....	2.619
Income/disaster total .....	8.992
Emergency conservation .....	0.212
Emergency Watershed Program .....	0.060
Emergency Conservation Program .....	0.030

Democratic position: Emergency relief for agriculture—Continued	
[In billions of dollars]	
EQUIP—Prioritize livestock/nutrient management .....	0.052
Wetlands Restoration Program .....	0.070
Total .....	0.212
Emergency trade provisions .....	1.288
Humanitarian assistance, oilseeds and other .....	0.978
Cooperator program (foreign market development) .....	0.010
Step 2 (cotton) .....	0.439
Total .....	1.427
Emergency economic development .....	0.150
Cooperative revolving loan fund .....	0.050
Emergency rural economic assistance .....	0.100
Total .....	0.150
Emergency policy reform .....	0.012
Mandatory price reporting funding .....	0.004
Country-of-origin labeling .....	0.008
Total .....	0.012
Grand total .....	10.793

Mr. HARKIN. I thank the indulgence of my friend from Indiana. I know my friend wanted to engage in a little colloquy. I am sorry for holding him up. I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana, Mr. LUGAR, be recognized for such time as he may consume.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Indiana.

Mr. LUGAR. Mr. President, I want to discuss the two amendments which have been offered by my colleagues, the distinguished ranking member, Senator HARKIN of Iowa, and the distinguished chairman of the Agriculture Subcommittee on Appropriations, Senator COCHRAN. But I want to do so in the context in which Senators may be thoughtful about what type of action is appropriate, given not only the problems of agriculture but likewise the general problems that we have in this country that we are trying to address.

I note, for example, that the President of the United States, in his speech to the Nation on agriculture on Saturday, indicated that there are a number of things at stake here. I quote the President:

I am committed to working with Congress to provide the resources to help our farmers and ranchers by dealing with today's crisis and by fixing the farm bill for the future. But we must do so in a way that maintains the fiscal discipline that has created our prosperity that now makes it possible for us to save Social Security, strengthen and modernize Medicare with a prescription drug benefit and to pay off our national debt guaranteeing our long-term financial prosperity. These things are good for America's farming and ranching families, too, and they're good for all Americans.

I quote the President because the administration has been asked a number

of times for an opinion on what type of emergency spending, if any, is appropriate at this point, on August 2, for a harvest that, by and large, is not yet in and with conditions that must, of necessity, be unknown. The administration has been reticent to address this situation with any figure, in large part because the administration and, for that matter, many people in this Senate have been arguing over how the surplus we believe will come after September 30 should be spent or the surplus for future years. There have been a number of strong contending ideas which include the rescue of Medicare and Social Security reform, tax reduction, prescription drugs for those in Medicare who do not have that, and the various other things the President has cited.

I make this point because usually on this floor we are into that kind of debate about our future and about how to use our resources. But from time to time, we have a debate on agriculture, and everything else is suspended. It is as if the money we are talking about today, the \$10.8 billion, for example, that Senator HARKIN addressed, does not pertain to any of the above—tax reduction, Medicare, Social Security, the surplus, and what have you. It is deemed emergency spending, outside the budget, outside the budget caps, outside of our general consideration.

If we are to do emergency spending of that amount or any amount, there must be some requirements to show the criteria for what is required. That is what I want to review with the Senate this evening.

I suggest the Department of Agriculture, in its most recent summary of where agriculture stands, points out that with low commodity prices in 1999, the year we are in, net farm income will be \$43.8 billion. They point out that will fall below the revised estimate of \$44.1 billion for 1998, last year. That means the estimate for this year is \$300 million, or less than a 1 percent change, from the net income in 1998.

I make that point because, as I have listened to the debate, Senators appear to be describing a loss that is substantially greater than that, but USDA in estimates made just last week, plugging in the low prices and plugging in also sometimes low inputs—that is, for feed costs and various other things agriculture people will need—have come to a conclusion the net change is only the difference between \$44.1 billion and \$43.8 billion.

Beyond that, the average net income of the last 5 years has been \$46.7 billion, which means this year's figure, if it comes out this way, is \$2.9 billion less than the 5-year average. The average for the 8-year period covering 1990 through 1997 is \$45.7 billion, so this year's result is 1.9 less than the 8-year average, or approximately 4 percent.

I am not making a claim it is higher; I am saying it is going to be lower. It is going to be lower by \$300 million as

opposed to last year and at least \$2 billion to \$3 billion less than the 5-year and 8-year averages.

As I have been listening to the debate and Senators have described this as a depression, a circumstance, Senators must take a look at the parameters of what is the actual set of facts. Let me point out historically the high water mark for agricultural income in the last 10 years was \$54.9 billion in 1996. That followed the low year in 1995 of \$37.2 billion. Low of 37, high of 54.9. Average: 45, 46 for the 5-year/10-year situations. This year: 43.8, close to 44 billion.

That is the range. This is net income, not net loss. Agriculture had a substantial net income never below \$37 billion and never higher than \$54.9 billion in this 10-year period of time.

We are taking a look at a situation that shows loss, but we ought to quantify that loss. These are the official USDA projections as of last week.

Senators will recall that 1998's net farm income of \$44 billion included \$12.2 billion of direct Federal Government payments. About \$9 billion was provided by the farm bill and the remaining \$3 billion was made available by the October 1998 emergency appropriations bill. But this year, already, before this legislation comes to the floor, Federal payments are projected to be \$16.6 billion.

Let me point out how this can be true. The safety net provided by the current farm bill—that safety net—provides for an annual transition payment, a so-called AMTA payment, of \$5.1 billion. That is provided for by the farm bill, and to be paid to all farmers according to formula at the times that are prescribed. But loan deficiency payments for corn, wheat, soybean, and other crops eligible for marketing loans are estimated at \$6.6 billion. This is a safety net provided by the current farm bill.

It has been suggested a number of times that the current farm bill, in its emphasis upon market economics, has no safety net. But I am pointing out \$5.1 billion in AMTA payments and another \$6.6 billion in so-called loan deficiency payments, still another \$4.8 billion to be paid out in conservation and crop loss disaster payments, with \$2 billion of that authorized by the 1998 October emergency appropriations bill.

It is important to note that most of the farm debate has focused on low prices, and charts have been given to the Senate indicating how prices have tended downward over the years. But, nevertheless, the more important figure would be price times yield; that is, the income that comes from an acre.

If, in fact, the price is low but the yield is high, the product of the two may still be a reasonable return for that acre in that year. There is an even more important fact that I suspect that many Senators have not thought through clearly. An article that I saw on the front page of USA Today talked about a farm meeting the distinguished

occupant of the Chair attended in Illinois. That particular article mentioned low prices and pointed out the depression and the fall of those prices.

But if the price of corn—as has been sometimes suggested—has been quoted at elevators at \$1.75 or \$1.70 per bushel, the good news is that a farmer will receive, at least if he is a farmer in the central part of Indiana, \$1.95. That is price guaranteed through the loan deficiency payment in that part of the state.

How does this work? Let's say the farmer brings the corn in and the market price is \$1.70 per bushel at the time of harvest. At the Beach Grove elevator in Indianapolis, that farmer will receive what amounts to 25 cents a bushel more, bringing that \$1.70 up to \$1.95. The same is true for soybeans at Beach Grove, IN. The soybean loan rate will be \$5.40. In some parts of the country it may be \$5.26, I am advised, but it is not \$4 or \$4.50 or \$4.60 or \$3.75 or various figures that have been quoted.

This is a tough concept to try to get across because even after you make the point again and again, people talk about a \$3.75 market price for soybeans. What I am saying is that every bushel of soybeans the farmer brings into the elevator, he is going to get \$5.26 to \$5.40 because the government's loan deficiency payment will provide him with a payment equal to the difference between his market price and the local county loan rate. That is very different.

This is not a question about how low the prices are going to go. If they go lower, the loan deficiency payment is higher. That is why the Federal Government will be paying out at least \$6.6 billion to make up the difference. It was the same for wheat. In many parts of the country, the wheat harvest has already come in. But the government guarantees at least \$2.58 for wheat at many elevators around the country.

I make that point because that is the safety net of the current farm bill. It is a pretty strong safety net. It will provide a very substantial amount of income as the harvests occur, as the grain comes in, as the loan rates are established. It will amount to \$6.6 billion that has not yet been received but will be received by farmers. Hopefully, that will take the debate away from a comparison of how low the prices are going to go to the concrete figure of what the loan deficiency payment will be—specifically, as I say, again, in most parts of the country, at least \$1.89 for every bushel of corn, \$2.58 for every bushel of wheat, and \$5.26 for every bushel of soybeans. At many elevators it will be a higher figure than that, including the one in Indianapolis that I cited. Farmers receive that even if the quoted market price is much lower.

Let me mention some other statistics the USDA has pointed out that may give you some idea about the parameters of our discussion.

In the same report last week of USDA giving estimates on net income,

USDA also went into the question of farm assets and farm debt and farm equity. If you had heard the entirety of the debate today—or maybe for some time—on this issue, the Chair might logically believe that land values in this country are going down if they pertain to agriculture; that the net worth of farmers collectively in this country is going way down. That, in fact, is not the case.

The Agriculture Department points out that farm equity, which was \$825 billion in 1996, rose to \$857 billion in 1997. It is estimated to go up to \$865 billion this year. That is an increase of approximately \$9 billion more, or a 1-percent increase in net worth. The farm real estate figures are \$802 billion for this year as opposed to \$794 billion last year, and \$783 billion the year before, and \$746 billion the year before that.

It does not mean every acre of land in every county all over America is going up. As a matter of fact, the Federal Reserve Board statistics for my home State of Indiana indicate an estimate that in the first quarter of 1999, real estate values in agriculture may have gone down by 2 percent. As a matter of fact, that was true of a number of States. But in a fair number of States, obviously, the estimate is that agricultural land is going up. The aggregate, the total, for America is the land values are higher. Furthermore, the net worth is higher because farm debt will decrease from \$172 billion to \$171 billion.

Once again, listening to the debate you would say, how can that be? If we are in a depression circumstance, how can you be arguing that real estate on farms is going up, that net worth is going up, that debt is coming down? Because that is what is occurring. You can give any number of statistics about prices falling, but the fact is that net income is going to fall by \$300 million. And that will still be within \$2 to \$3 billion of a range for the last 5 or 10 years of time.

Let me try to bring clarity to the argument in still another way.

The distinguished Senator from Iowa, Mr. HARKIN, has mentioned, in a fact sheet that he released and he gave some of these figures again today, that there will be a 29-percent drop in agricultural income, but Senator HARKIN correctly says this is a drop in principal field crops, not all of agriculture, but principal field crops.

I have noted that situation on my own farm. The distinguished Senator from Iowa, Mr. GRASSLEY, is on the floor. He has a family farm and could cite statistics from his farm if he were inclined to do so.

On my farm, Lugar farm in Marion County, IN, our net income in 1998 was 18 percent less than in 1997. That was true principally because our major income sources were soybeans and corn. My guess is that our net income in 1999 may have a similar reduction, although I hope not so great as the 18-percent that was suffered the earlier year.

Obviously, it makes a very great deal of difference, when you come to the net income situation or the difficulty of a farmer, whether the farmer has debt. Our situation is one in which we do not have debt. We are able to finance our operating loans, our operating expenses, without loans and out of retained capital. So that gives you a big headstart. For those farmers who have extended themselves to buy the adjacent farm or have never quite paid off the family mortgage and who must borrow each year to put a crop in the field, the interest costs are very substantial. Those are reflected still in the overall aggregate statistics of net farm income in this country.

As you take a look at ag statistics, the fourth that do the best as opposed to the fourth that do not do as well, very frequently the same amount of land is involved, same weather was involved. The question of debt intrudes and makes a big difference in the bottom line figure; likewise, the sophistication of the marketing plan. Even in the midst of the crisis we were talking about last week, I was able to make a sale of 1,000 bushels of corn to an elevator in Indianapolis at a figure higher than the loan rate, the government's guaranteed minimum price. That prospect was available to each farmer in America, I suspect, that day. We sold that corn for \$1.97 for fall delivery. That is not a high price, but that is corn that will not be receiving a loan deficiency payment, corn sold in a market which is still out there. In weather-driven spurts, farmers have been able to market corn and soybeans even under these dire circumstances.

I make that point because those who made sales forward contracts last February and March were able to sell their corn and their soybeans at prices that were substantially higher. Many farmers do these sales; some farmers do not. We are attempting to deal with a situation of a total aggregate, those that did very well and those that did not do so well.

Finally, it seems to me it comes to a basic decision the Senate must make. That is, should the Senate say that agriculture, farmers in America, ought to be made whole, at least to the extent their income is raised to, say, the average level of the last 5 years or the average level of the last 10 years? Is it the goal of the Senate to say no, that is not good enough? What we ought to do is make certain that 1999 is one of the best years agriculture has ever had.

The proposals before us today will not boost the \$44 billion more or less of net farm income to \$54.9, although they come very close. If the Democratic amendment was adopted and, literally, you added \$10.8 billion to the estimate of 43.8, you come up to 54.6, which is just 300 million short of the all-time record for net farm income. In short, not a rescue operation but an idea, I suspect, that this is a good time to, if not set a new record, at least come very close to that through additional

Government payments. That may not be the intent of the Senate.

My guess is most Senators understand that farm income is down and they would like to make farmers whole, at somewhere around an average level, which would appear to mean a payment of \$2 or \$3 billion. Neither of the proposals before us is of that nature.

I have pointed out in colloquies with the press during the past week that there is before the Agriculture Committee now a risk management bill that would, in fact, provide about \$2 billion a year for each of the next 3 years if passed, and that would pretty well fill the gap, if that was the intent of the Senate to do that.

I conclude that Senators finally will take a look at this entire situation and reach some overall judgments. Let me offer at least some reasons why some payments might be justified.

First of all, farmers or the rest of America could not have anticipated the Asian crisis that hit about 2 years ago. The last year, in 1998, probably took away 40 percent of the demand of Asian countries for American agricultural products. That probably took away 10 percent of our entire market last year, which means that demand fell overnight by 10 percent, whereas supplies for the last 3 years have not only been ample but around the world the weather has been mighty good and the amount of supply abundant, really throughout that period of time. So a 40-percent hit in terms of the Asian export demand hit very hard. It hit suddenly. Within a 90-day period of time we realized that difficulty.

Let me also mention, in addition to the Asian situation and the oversupply situation, the abnormally good weather in China, in Europe, in Brazil, in Argentina, Australia, major sources of food throughout the world, that the American farmers have run up against the problem of genetically modified organisms in European debate, which means that Europeans are rejecting corn and soybeans that come with the roundup ready genetic changes.

As we all know in America agriculture, in order to get rid of the weeds in the field, it is a much simpler process. It strengthens, certainly, the soybean and corn plants, if a gene is changed in the corn or soybean plants that rejects the herbicides that kills all the weeds but leaves the corn and the soybeans standing. We believe that not only is corn and soybeans from such situations safe, but as a matter of fact, our yields have increased. The health of the plants has increased, and we felt all over the world people might want to benefit from these breakthroughs. Not so in Europe, and a debate rages as to whether there is something fundamentally wrong with our genetically modified seeds to the point we are finding it very difficult to export a single bushel of corn or beans to the European market. That debate is going to go on for awhile, and it has not been helpful.

We are on the threshold of a World Trade Organization meeting in Seattle that comes up in October. We must have fast track authority. That is, the President must be able to negotiate on behalf of the administration with other countries, knowing this body will vote up or down on the treaty without amendment, because amendments by all of us attempting to influence the situation to benefit our particular States or crops or so forth could be matched by amendments all over the world and the treaty negotiations collapse.

We don't have fast track authority. We have tried in this body several times to obtain that. The House of Representatives had similar difficulties. It will require enormous leadership by the President and by many of us, but we cannot make a new treaty that knocks down trade barriers, that increases our exports in the way that all Senators want, without doing the basic steps. Fast track authority is one of them, as well as a determined will that agriculture will not be left off the wagon, that agriculture is an integral part of what our Nation must do at the WTO meetings.

I make this point because we talk, often glibly, about the need for exports. Of course, we have a need for exports. But they will not happen in the quantities that we need to have happen without lowering tariff and nontariff barriers, and the Seattle meeting is where that does or does not get done. If we don't have fast-track authority, it will not occur during this administration. That is a long time.

So for all these reasons, farmers have taken a direct hit, largely because of worldwide demand and in the case of many fields in the State of Illinois, or in my State of Indiana, or the State of Iowa, as much as a third to a half of all our acreage literally results in yields that must be exported, or we have it coming up around our ears. We know that and yet, as a Nation, we have not moved aggressively to make the difference that has to occur.

So for all these reasons, the Senate might come to a conclusion that some compensation is required for farmers in order to keep their cash flow going. I made the point earlier that, as a matter of fact, loans will be reduced this year. But cash flow will be reduced, also. And for those farmers who have the need for operating loans, who are genuinely in danger because of debt situations, the situation could be dire and family farms could be lost.

In the event that we are to make payments, the so-called AMTA payments, put money into the hands of farmers quickly, directly, and certainly—we had a pretty good demonstration of that last year. The Senate, in its wisdom, at the very end of the session as the large appropriation compromise came together, appropriated as part of a package about \$6 billion for American agriculture. It came as a surprise to many, but the

form of it came as a surprise that was even more difficult. About \$3 billion of it came in AMTA payments. Those were made immediately. They were received by farmers in the first week of November, after passage late in October of the appropriation bill.

I make that point because if we are serious about money actually arriving in the hands of farmers, then we must be serious about the distribution method. The AMTA method gets the money to farmers. It does increase cash flow. It is seen as equitable. The ratios were long ago worked out on the basis of crop history and the signatures for the farm bill. The other half of the \$6 billion was for so-called disaster payments. They were ill-defined then, as they are ill-defined now in the legislation in front of us.

The USDA struggled and, as a matter of fact, finally made payments in June of this year—not in November or October of last year—and it did so after exploring not only disasters of 1998 in some States, but '97, '96, '95 and '94—multiple years, all mopped up with some type of distribution and equity found among all sorts of contending parties in various States and counties.

Mr. President, money is not going to get to farmers very fast in distribution methods that suggest that type of procedure, however humane the motivation may be. As a matter of fact, payments aren't going to go to any farmer very soon from this legislation because the House of Representatives is not prepared to act upon this. So, therefore, whatever we are doing with urgency now is going to be a matter for September, or if the appropriation bills do not pass for October or November, or whenever a grand compromise occurs.

I make that point because farmers listening to this debate might feel there is some possibility as of tomorrow or the next day a vote by the Senate could lead to money coming to them. But it will not come to them very soon, whatever our result may be on the floor. Therefore, last week, I suggested that we have 3 days of hearings before the Senate Agriculture Committee, in which on the first day the Secretary of Agriculture would come before the committee and, hopefully, respond to our questions as to what the administration's recommendations are, given all that the President and the Secretary have said about the overall budget condition, about taxes, about Medicare, about Social Security, and given the administration's view of what is appropriate farm or agricultural legislation.

And if you follow this with other groups in our society who would respond to Senator's questions about this, the committee will hold a markup in the first week of September so that the Appropriations Committee that must now struggle with this legislation would have a fairly clear roadmap of what the compromises were and what considerations have been given.

Furthermore, the September debate would give us a pretty good idea of what the yields actually are going to be for a number of our major crops. I suspect that, even as we speak, as people now begin to talk about a different problem in agriculture—namely, drought—a whole slew of new considerations are going to come into the picture. The price might go up and the yield might go down. Once again, the product of the two is the critical element, rather than the new per acre.

Mr. President, obviously, we are in this debate because the occupant of the chair and, more particularly, the distinguished floor leader has indicated that we need to get on with this. I accept that fact. We will have tomorrow morning in the Agriculture Committee at 9 o'clock an appearance by the Secretary of Agriculture. We will ask him for his testimony and we will ask him for the administration's point of view, which I think is relevant to what we are discussing here.

I know it is relevant on the basis of last year's experience because we passed an agriculture appropriation bill, and it had considerable benefits for farmers. But it was vetoed by the President. And, as a result, the benefits did not accrue very rapidly, and we got into what I would say was a bidding war again. That is not advisable if it can be avoided in some normal framework. So I am hopeful that we will have a hearing, and at least that it will provide some benefit for the debate we are now having before us, and certainly for the debate we shall have again. We will have it again because the Appropriations Committees will have to come back with conference reports, and we will have to judge the adequacy or inadequacy of what we have done at that point.

Mr. President, I finally make the point that the previous speakers have stated there is an emergency to be met, an immediate need for income. But, fundamentally, we must debate the entire farm bill when we come back—not simply a question of adequate income for farmers, but the fundamental law of the land.

I am prepared for that debate, but I simply say that before Senators get engaged in the debate, it is well to gauge at least the benefits that come from the current farm bill. There are, to date, \$16.6 billion this year, which is just \$100 million short of an all-time record of farm payments. That is a substantial safety net. I make the point that the farm bill recognizes that point and, in fact, provides fairly amply when that occurs. But it also provides freedom to farm, and that is very important to most farmers in this country—the ability to determine how to manage their land, how many acres of corn, or beans, or cotton, or rice, or whatever the farmer wants to plant, or not to plant at all. The AMTA payment comes to a farmer who does not plant at all, because this is a transition from the date of supply control to a day in

which we move into market economics and the farm area more completely. The thing the world dictates presently is that market economics is the important way to go. Our country testifies to that in almost every other debate.

I hope we will continue to testify in behalf of that when it comes to American agriculture.

I thank the Chair for this indulgence; likewise for other Senators.

I am hopeful that before action is taken on either of the two amendments, there will be testimony by the Secretary and then very thorough analysis by each Senator as to what our obligations should be to American agriculture both to encourage and enhance it and, likewise, that our obligation is to all the taxpayers of the country and the other major objectives that lie before our country.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Mississippi. Mr. COCHRAN. Mr. President, I thank the Senator from Indiana. He has definitely elevated the level of discussion on the issue before the Senate by his remarks. He has given this debate unusual insight based on his experience and his knowledge of the subject and his personal experience as one who is engaged in production agriculture in the State of Indiana.

I think the Senate has benefited from his remarks. I, for one, want to congratulate him and thank him for remaining on the floor this evening and giving the Senate the benefit of his observations on this issue.

Tomorrow, as he points out, there will be a hearing in the Agriculture Committee which could also be very helpful to our further understanding of the situation. The Economic Research Service and other agencies of the Department of Agriculture could make available to us information that would be very helpful and constructive as we try to decide what is best in this situation for our farmers around the country.

I don't want to overdue this or guild the lily too brightly. But I personally respect the Senator so much—and he knows that—and consider him a great friend. I again express my personal appreciation for his being here tonight and for his leadership in the agriculture area specifically.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Mississippi, who is my friend and whose leadership I appreciate so much.

Let me inquire of the distinguished Senator from Mississippi if he knows of further debate. If not, I make an inquiry because I have been asked to substitute for the leader in making motions.

Mr. COCHRAN. Mr. President, I know of no other Senator who seeks recognition on this. I think it would be appropriate to go to final wrap-up.

Mr. LUGAR. I thank the Senator.